

## **JOINT REVENUE OUTTURN 2014/15**

### **REPORT BY SARAH GOBEY, CHIEF FINANCIAL OFFICER**

#### **1.0 SUMMARY**

- 1.1 This report outlines the revenue financial monitoring position for the end of the 2014/15 financial year for Joint Strategic Committee, Adur and Worthing Councils. At the time of publication of this report, the Statement of Accounts are still being finalised. Any changes that emerge as work proceeds on the Statement of Accounts will be reported to members later in the year.
- 1.2 Information is also provided in respect of earmarked reserves for the 2 constituent authorities. The 2014/15 capital outturn is reported separately elsewhere on the agenda.
- 1.3 The Joint Strategic Committee is asked to agree and recommend to Adur and Worthing Councils:-
- the proposals for dealing with any net underspend or overspend on the revenue accounts by making transfers to various reserves; and
  - the carry forward of certain revenue budgets to allow projects to be completed in 2015/16.

#### **2.0 BACKGROUND**

- 2.1 Local authorities have a statutory duty under the Local Government Act 2003, to monitor their income and expenditure against their budget, and be ready to take action if overspends in expenditure or shortfalls in income emerge. If monitoring establishes that the budgetary situation has deteriorated, authorities are required to take such action as they consider necessary. This might include, for instance, action to reduce spending in the rest of the year, or to increase income, or the authority might decide to take no action but to finance the shortfall from reserves.
- 2.2 The monitoring of the revenue budgets has been reported to the Joint Strategic Committee three times during the year.

Budget Managers have delegated responsibility to monitor their services on an ongoing basis throughout the year.

## 2.0 BACKGROUND

- 2.3 The Joint Strategic Committee (JSC) budgets are held separately and operate as holding accounts. They represent pooled budgets of Adur and Worthing Councils. All expenditure and income in the joint budgets are recharged back to the respective authorities. This means that the net expenditure is fully allocated out to the two councils and the overall position for the Joint Strategic Committee will be zero. An over or underspend reported in the Joint will be incorporated into the individual councils accounts via the allocation process.
- 2.4 Each joint service is allocated out to the councils on an individual basis using an appropriate allocation for that service. Overall, Worthing's share of the joint outturn is 61.1% and Adur's share is 38.9%.

## 3.0 REVENUE OUTTURN OVERVIEW

- 3.1 The final revenue outturns reported for Q4 are as follows:-

Summary of 4th Budget Monitoring Report			
	Joint	Adur	Worthing
	£000s	£000s	£000s
Current Budget 2014/15	21,654	9,629	13,977
Outturn	21,643	10,028	13,855
over/ (underspend)	(11)	399	(122)
over/(underspend) percentage	-0.1%	4.1%	-0.9%

As highlighted earlier in this report, the Joint underspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported variances in Adur and Worthing in the table above include the total share transferred from the Joint Shared Services.

- 3.2 The Summary Outturn for each body is reported in **Appendices 1 - 3**. The joint budgets are presented by service block. It is not possible to show them by Council portfolios as the portfolios in Adur and Worthing are no longer harmonised.
- 3.3 The headline budget variations across both the councils and joint shared services are:-
- Overspend of FIT4 for Worthing
  - Additional income from refuse and recycling;
  - Increased investment income net of reduced borrowing cost for Council;
  - Overall cost of the new joint Grounds Maintenance service less than originally estimated
  - Additional grant income for 'New Burdens'
  - Overspend of Building Services for Adur

### 3.0 REVENUE OUTTURN OVERVIEW

- Changes arising from the new Business Rate Retention Scheme. The grant to compensate the Council for business rate income lost from the new Small Business Relief scheme announced by the Government in the year is credited to the General Fund.
- Underachievement of investment property income
- Overspend in Worthing theatre activities.

3.4 The third quarter monitoring report was presented to Joint Strategic Committee on 3<sup>rd</sup> March 2015.

<b>Comparison of 3<sup>rd</sup> budget monitoring report and final outturn</b>			
	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
<b>Overspends reported at Quarter 3</b>	369	89	85
<b>Final (under)/overspend reported</b>	(11)	399	(122)
<b>Difference</b>	(380)	310	(207)
<b>Difference expressed as a percentage of the Executive Member requirements - target 1%</b>	1.8%	-3.2%	1.5%

3.5 The significant variations that impact on the final outturn from quarter 3 to quarter 4, were:-

<b>Significant variations from 3<sup>rd</sup> monitoring report to final outturn</b>	<b>Joint</b>	<b>Adur</b>	<b>Worthing</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Building Services	-	405	-
Additional non ring fenced grant- mainly small business relief now credited to the general fund	-	(31)	(431)
Parks and Foreshore - net underspend mainly due to maintenance underspend of premises (£167k)	-	-	(242)
FIT4 Leisure Income	-	-	(119)
Vacancy savings less than budgeted	(462)	51	187

### 3.0 REVENUE OUTTURN OVERVIEW

3.6 As the table above shows, there needs to be a continued focus on improving financial management. As part of this process, the current MTFP includes a number of key financial health indicators, which are:

- Continue to maintain a General Fund balance at a minimum balance of 6% and a maximum of 10% of the General Fund Net Revenue Budget. (This will measure overall financial health).
- Revenue outturn to be within 2% of the Total Budget Requirement. (This will measure accuracy of budget preparation).
- Revenue outturn for Total Cabinet Member and Joint Strategic Committee Requirements to be within 1% of the estimate of Total Cabinet Member Requirements contained in the quarter 3 monitoring report. (This will measure accuracy of budget monitoring).

Overall the revenue monitoring has largely met the target of 2% for Worthing and The Joint account but is over for Adur due to exceptional circumstances, however there needs to be some improvement in the reporting of individual services. There needs to be a continued focus on budget monitoring with particular emphasis on high-risk areas.

For the past three years, the Councils have undertaken review of revenue base budgets and this exercise contributed to the savings required to meet the budget requirement between 2012/13 and 2014/15. We intend to carry out a similar exercise for 2016/17.

### 4.0 REVENUE 2014/15 OUTTURN

4.1 The following table details variances approximately £100,000 or more. A more detailed analysis is included in **Appendix 5**.

Service Area	Joint £000s (under)/ over- spend	Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations Share of joint services allocated 40:60 to Councils *
<b>CHANGES IN INCOME: Fit 4 Leisure Income</b>			(211)	<b>INCOME:</b> Increased FIT4 income. See costs below and section 4.9

#### 4.0 REVENUE 2014/15 OUTTURN

Service Area	Joint £000s (under)/ over- spend	Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations Share of joint services allocated 40:60 to Councils *
<b>CHANGES IN INCOME:</b>				<b>INCOME:</b>
Investment Properties		103	115	Underachievement of income due to empty properties and rent free periods. See section 4.7
Adur Building Services		(88)		Income from building maintenance. See additional costs below and section 4.8
Theatres			61	Underachievement of income. See section 4.6
Waste & Cleansing			(135)	Trade Waste net excess income including refund of back dated VAT refund from HMRC in respect of trade waste income (£107k).
Grants		(206)	(373)	Net additional non ring fenced grants - mainly additional grant to compensate the Council for the doubling of small business relief now credited to the general fund.
<b>Total income</b>	-	(191)	(543)	
<b>CHANGES IN COSTS:</b>				<b>COSTS</b>
Fit 4 Leisure			566	Increased variable salary costs associated with generating income. Additional expenditure prior to becoming a Trust. A 28k provision for a potential additional taxation cost for the employment of coaches as identified in a recent HMRC audit. See section 4.9
Housing Benefit		98		Benefit Subsidy claim for 2012-13 & 2013-14 overpaid identified following Audit
Theatres			123	Restructure of service and the additional cultural and catering offer resulted in additional salary costs. Savings are anticipated in 2015/16. See section 4.6
Building Maintenance		448		Over spend associated with the service gearing up for the volume of business following the extension of the service into the East of the District. See Section 4.8

#### 4.0 REVENUE 2014/15 OUTTURN

Service Area	Joint £000s (under)/ over- spend		Adur £000s (under)/ over- spend	Worthing £000s (under)/ over- spend	Significant Variations Share of joint services allocated 40:60 to Councils *
<b>CHANGES IN COSTS:</b>					<b>COSTS</b>
<b>Parks &amp; Foreshore</b>				(227)	Net underspend mainly due to maintenance underspend of premises (£167k)
<b>Treasury Management</b>			(188)	(477)	Borrowing costs below budget due to savings resulting from the use of internal resources to fund the capital programme, deferred borrowings for capital investment which resulted in a reduced provision for repayment of debt
<b>Vacancy Target</b>			236	504	The vacancy target for Worthing will be reviewed as part of the 2016/17 budget process
<b>Vacancies Saving achieved</b>	(462)	*	(185)	(317)	See section 4.4
<b>Job Evaluation</b>	359	*	144	215	Estates, Surveyors & Engineers
<b>Job Evaluation</b>				215	Museum (£95k) & Revenues & Benefits (£120k). Section 4.5
<b>Total costs</b>	(103)		553	602	
<b>Other Variations Below £100K</b>	92		37	(180)	
<b>Total Variance</b>	(11)		<b>399</b>	<b>(121)</b>	

Details of other less significant variations and outturn are available on request from the finance team.

- 4.2 As highlighted earlier in this report, the JSC underspend is transferred to Adur and Worthing Councils in line with their allocated share. The reported underspends in Adur and Worthing Councils in the table above includes the total share transferred from the JSC.
- 4.3 In addition to the variances highlighted above, there are a number of key issues which require a more detailed consideration. These are listed below.

## 4.0 REVENUE 2014/15 OUTTURN

### 4.4 Vacancy savings

4.4.1 There is an allowance for staff vacancy savings in both authorities' budgets for 2014/15 (Adur £240,640 and Worthing £508,610). There is no savings target included in the Joint Committee budget.

4.4.2 Finalised Pay and Grading back pay determinations have been included within the outturn salary and the vacancy savings target has not been met overall in 2014/15.

4.4.3 The salaries underspend in the Joint Committee represents an expected contribution to Adur and Worthing's vacancy savings. The Joint Strategic Committee outturn underspend for salaries is £462,000.

### 4.5 Job Evaluation

	<b>£'000</b>
<b>Current year cost of job evaluation including backdated pay:</b>	
Surveyors and Engineers	189
Museum (Worthing only)	95
Revenues and Benefits (Worthing only)	120
Estates	170
Total	<u>574</u>

### 4.6 Worthing Theatres

A £300,000 improvement was made on last year figures. This still means an over spend on budget of £184,000 but shows remarkable progress and the Theatres Team are confident the business is now moving in the right direction.

Importantly there is a significant improvement in budget monitoring for 2014/15. Quarter 3 projections by the Theatres Management Team were only £6,000 adrift to the final outturn. For a commercial demand led business this achievement demonstrates robust financial management and clarity on business outcomes.

The overspend relates to salaries, marketing and a shortfall on the budget income figure.

The business has several areas of growth with over 58,000 more tickets sold compared to the previous year and Catering making a surplus of £120,000 due in part to the increased attendance. Worthing Theatres repeat visits (37%) are well above the national average (25%) with 27% of the total ticket buyers living outside the boroughs of Worthing and Adur. With ticket income equalling £1,786,968 this equates to £482,481 being spent at Worthing Theatres by visitors to Worthing Borough.

The Cultural Economic Impact Study for Worthing Theatres estimates a direct impact on the local economy of £5.2m which is a 7:1 return on the Councils investment.

## **4.0 REVENUE 2014/15 OUTTURN**

### **4.6 Worthing Theatres**

The programme has continued to improve and the audience development work is producing good results with 154 sold out shows in the year, the most ever. The Pantomime broke all records and comedy and children's theatre have been particularly successful. The new strand of contemporary circus has also been a success with audiences building quickly and shows selling out.

The Theatres Team are focused on maximising effectiveness and efficiencies, continuing to work to the Management Action Plan and incorporating the findings of the Scrutiny Report. Further savings will be made in 2015/16.

### **4.7 Property Management Income**

The Investment Properties have an income shortfall of £103k in Adur and £115k in Worthing. Since the economic crisis in 2008 the shortfall on this budget has gradually increased due to difficult market conditions. In 2013/14 the shortfall was £54k for Adur and £229k for Worthing which was a significant increase on previous years. This trend has continued on into 2014/15.

The situation has improved as vacant sites are let. Some of these have been offered rent free periods as part of their tenancy agreements and the impact of this will reduce into the new year. The rent income budgets have been reviewed for both ADC and WBC so that the 2015/16 budgets should be achievable. The renewal of tenancies reflects market rents which can be lower than previously achieved and the budget should reflect the rental income currently achievable and potential vacancies.

### **4.8 Adur Building Services**

There is a net over spend in the in-house Building Services of £360k.

90% of building services income is for Schedule of Rates work carried out for Adur's council housing, the remaining 10% is for Adur & Worthing corporate buildings. The Housing Revenue Account (HRA) regulations do not allow for building services to sit within the account and they are normally outsourced or operate in-house within the General Fund.

The overspend is largely associated with the service gearing up for the volume of new business associated with the new east side Adur Homes HRA contract which was taken on in September 2015. In addition to the new contract there has been an increase in the work being carried out on empty HRA properties to improve the quality of properties for re-letting. This has resulted in it being necessary to sub-contract work out and this has led to the most significant variance of £228k.

Other variances include:-

- Vehicles had to be initially leased at a cost of £10k



## **4.0 REVENUE 2014/15 OUTTURN**

### **4.8 Adur Building Services**

- Administration problems in respect of the income due for the work on corporate buildings led to an over-provision in income in last year's accounts which subsequently had to be written-off at a cost of £30k
- Overspend in support service costs of £27k. These are outside the control of building services.

The Head of Housing is undertaking an in depth review into the financial and operational management of the service. The review will also inform the commissioning of an Internal Audit into the service. If any anomalies are found regarding lost income a retrospective transfer adjustment will be made from the HRA to the General Fund in 2015/16.

It is unfortunate that this year the service has generated such a loss but it should be borne in mind that over previous years Building Services have provided a contribution to the General Fund.

It is intended that the budget monitoring of this service will undergo a more intensive scrutiny over the coming months with a much greater level of challenge.

### **4.9 Worthing Leisure Facilities – FIT4**

There is an over spend of £355,470. This comprises of £337,240 overspend on salaries, which is largely associated with generating additional income but also includes additional staffing costs required for gearing up for the expansion to Worthing College. The benefits to the Trust will be seen gradually as membership increases in the coming year. There are also additional salary costs associated with establishing the Trust.

Premises costs are overspent by £89,960 which mainly relates to reactive maintenance of the buildings. Most of this is a client cost under the Trust agreement and is controlled by Surveyors and Engineers.

The net overspend of other running costs of £139,090 again partly relates to generating additional income and costs required for expanding to Worthing College. Included within this overspend are some set-up costs for the Trust such as new uniforms (over spend of £20,000), which were agreed in consultation with the Executive Member for Environment. Additionally a provision of £28,500 has been made following an audit from HMRC for possible non-payment of Tax and National Insurance costs in respect of self-employed individuals paid directly. In future they will be paid through payroll to avoid any penalties.

Partially offsetting these costs is an increase in income of £210,820, which was above the additional income target agreed by Members of £324,760 in the 2014/15 budget.

## 4.0 REVENUE 2014/15 OUTTURN

### 4.9 Worthing Leisure Facilities – FIT4

This has been an exceptional year for FIT4 but it should be noted that over previous years the service has come in substantially under budget and these under spends will have accumulated into General Fund reserves amounting to £790,000 over the past 4 years.

### 4.10 The Waste and Cleansing section

A £135,000 underspend was achieved in Worthing and £25,000 in Adur, which is mainly due to increased income from green garden waste over and above the original targets set, an underspend on fuel due to the reduced cost of fuel and some staff vacancies.

### 4.11 Adur Revenues & Benefits (Census)

Adur Revenues and Benefits (Census) have had some issues regarding the Housing Benefit subsidy claims for 2012/13 and also 2013/14. This relates to errors in the calculation of income used in claimants' benefit calculations which has resulted in overpayment of subsidy. This was identified during the 2012/13 subsidy claim audit, but not reported to Census until late in 2013. This has meant that any corrections and assurances made to prevent a reoccurrence have filtered into the 2013/14 subsidy claim. This resulted in repayment of the 2012/13 subsidy of £98,000 and an estimated repayment of over £90,000 for the 2013/14 subsidy claim.

### 4.12 External Borrowing Costs and Investments

The net cost of external borrowing and investments has led to a favourable variance of £188k for Adur and £477k for Worthing. This results from slippage in the capital programme, which leads to underspends in both interest and repayment budgets. In addition, for Worthing, who are actively borrowing, officers are taking advantage of the stability in interest rates to borrow short term rather than long term, resulting in reduced costs from lower interest rates and reduced provision for repayment of debt.

## 5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

5.1 Adur Homes is held within a ring fenced Housing Revenue Account, which is shown in Appendix 4.

	<b>CURRENT ESTIMATE 2014/2015</b>	<b>FINAL OUTTURN 2014/2015</b>	<b>VARIANCE (UNDER)/ OVERSPEND 2014/2015</b>	<b>% (UNDER)/ OVERSPEND On gross expenditure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
Adur Homes	(572)	(998)	(426)	
Less budgeted contributions to Reserves	566	566	-	
	(6)	(432)	(426)	(3.2%)

## 5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

5.2 The underspend of £426k for the year comprises the following headline figures:-

	<b>(Under)/ Overspends £'000</b>
Supervision and Management	236
Provision for bad/doubtful debts written back	(162)
Income including rent and service charges resulting from voids and write offs	119
Reduction in costs due to fall out of premia costs associated with 'old' pre 2013/14 debt	(211)
Reduction in revenue contribution to the capital programme	(245)
Reduction in Financing costs for Interest and Debt Management Expenses	(200)
Underspends in budgets carried forward from 2013-14	(81)
Underspend of demand led repairs and maintenance	123
Various	(5)
<b>TOTAL</b>	<b>(426)</b>

5.3 The year-end outturn underspend is £170k more than the underspend of £256k projected in the 3<sup>rd</sup> 2014/15 monitoring report. The overall variance primarily arises from a number of areas explained further as follows:


- an overspend of £115k on central support service re-allocations included within Supervision and Management.
- An underachievement of rents of £179k due to the number of void properties and accounts written off.
- A reduction in provision for bad or doubtful debt £162k
- Repairs and maintenance overspend of £123k
- Reduction in revenue contribution to the capital programme £245k
- Underspends in Carried Forward budgets from 2013-14 £81k

## 5.4 Proposed contributions to HRA Reserves

It is proposed that the HRA outturn underspend of £998k for 2014/2015 is utilised as £81,000 for Carry Forwards and £917,000 for Contributions to Reserves as set out in the following table.

## 5.0 ADUR HOUSING REVENUE ACCOUNT (HRA)

### 5.4 Proposed contributions to HRA Reserves

<b>PROPOSED CARRY FORWARD OF HRA UNSPENT BUDGETS and CONTRIBUTION TO HRA RESERVES</b>		
<b><u>Carry Forwards</u></b>		<b>£'000</b>
Proposed expenditure to improve communication and rebrand the service		4
Environmental Initiatives to help encourage positive community neighbourhoods in line with Adur Homes strategic priorities and 'Think Eastbrook'		20
Expenditure to update Leasehold database with a fully integrated up to date system to meet the needs of the Service		12
Agreed contribution to Council's Asset Management System		45
<b>Total Carry Forwards</b>		<b>81</b>
<b><u>Contributions to Reserves</u></b>		
Contribution to New Development and Acquisition reserve (as budgeted)		566
Additional contribution to New Development and Acquisition reserve		51
Contribution to Business Improvement Reserve		250
Contribution to Discretionary Assistance Fund		50
<b>TOTAL</b>		<b>998</b>

- 5.5 The proposed contribution of £566k to the new Development and Acquisition Reserve is in keeping with the budgeted amount included in the HRA budget strategy for setting aside resources specifically to increase capacity for the supply of affordable housing in future years. A further contribution £51k is made possible by the level of underspend. This transfer will increase the New Homes Reserve to £1.2m.
- 5.6 There is no proposal to transfer any of the surplus to the HRA as the balance on this reserve already stood at £2.17m at 31<sup>st</sup> March 2015. This balance is deemed to be sufficient.
- 5.7 It is proposed to transfer £50k to the "Discretionary Assistance Fund", which was set up at the end of 2013/14. This transfer will increase the Discretionary Assistance Fund to £100k.
- 5.8 Finally it is proposed that a new reserve called the Business Improvement Reserve be established out of this year's surplus to invest in new digital technologies, which will enable efficiencies in the service. A transfer of £250k is proposed to establish this reserve.

## 6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

### 6.1 Recommended Carry Forwards of Unspent Budget

Any unspent funds are placed into reserves at the year end. Budgets in respect of the following items remain unspent at 31<sup>st</sup> March 2015 and are required to complete existing initiatives in 2015/16. The focus for carry forward proposals this year is on existing commitments or other essential replacement items rather than bids for new initiatives. This is to build capacity in the reserves to protect the Councils' interests for the next two years. It is recommended that these amounts are carried forward to 2015/16 and funded from the respective Capacity Issues Reserves. The Committee may wish to consider how these items contribute to the Councils' priorities when approving the carry forward of budgets.

It should be appreciated that Adur District Council overspent in 2014/15 and the reserves are at a relatively low level. Consequently only minimal carry forwards are recommended for Adur District Council which have restricted to joint initiatives only. If approved, these carry forwards will have to be funded by releasing existing funds from the capacity issues reserve.

The tables below identify the carry forwards related to each body:

#### Joint Strategic Committee:

The Joint Strategic Committee does not hold any reserves of its own and the requests from Joint services detailed below will be funded from Adur and Worthing Councils' reserves.

<b>Proposed Carry Forward of unspent Budgets within the Joint Strategic Committee</b>			
	<b>Adur share</b>	<b>Worthing share</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Refuse &amp; Recycling</b> In 15/16 we are expecting at least another 1000 properties to be built for which additional bins are required. There is extra income from the garden waste service, which could be carried forward to cover this cost.	14,000	21,000	35,000
<b>Technical Services</b> Repairs to Town Hall Committee Room chairs and furniture. Current facilities very tired with frequent comments from external hirers and users. Repairs need to be carried out sympathetically as furniture part of building heritage. Budget has been carefully spent this year to allow for carry fwd and one off spend to refurb Committee rooms.	5,440	8,160	13,600
<b>TOTAL FOR JOINT STRATEGIC COMMITTEE SHARED BETWEEN ADUR &amp; WORTHING</b>	19,440	29,160	48,600

## 6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

### 6.1 Recommended Carry Forwards of Unspent Budget

<b>Proposed Carry Forwards (not yet spent and previously approved) - Existing Reserves</b>	
<b>Grants</b> - The carry forward is to complete the payments awarded to groups at the Pot of Gold event in 2014 and to go towards the cost of running this year's The Pot of Gold event in April 2015.	£ 17,040
<b>TOTAL FOR ADUR DISTRICT COUNCIL</b>	<b>17,040</b>

<b>Proposed Carry Forward of Unspent Budgets within Worthing Borough Council</b>	
<b>PLANNING POLICY</b>	£
<b>Planing Policy</b> underspend to fund various studies - Landscape, ecology study, Objectively Assessed Economic Needs Assessment and, transport study as part of the Worthing Local Plan, which will tie in to the transport model being updated to inform the A27 Improvement Strategy.	38,590
<b>PROJECTS</b>	
<b>Museum Projets</b> - Income has been generated through work with schools on the CoastEd. Project and belongs to the project partner organisations as identified in the Memorandum of Understanding. It is intended to act as seed funding for year 2 as outlined in the application to Arts Council England and the Approval to Bid application.	7,110
<b>Economic Regeneration</b> - The Concessions Working Group together with the relevant Executive Member, have been accumulating income from concessions in Worthing over the past couple of years for use on new visitor information facilities along Worthing's promenade as well as other visitor/tourism improvements. The income has now accumulated to a level where the group can start to purchase new signs and information boards, with the first signs aimed for installation during early summer 2015. Further funds are to be allocated for improvements to existing seafront shelters to attract new concessions to the promenade, for example at Windsor Lawns and opposite West Buildings where a recent competition has attracted a repaint from a local artist.	11,990

## 6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

### 6.1 Recommended Carry Forwards of Unspent Budget

Proposed Carry Forward of Unspent Budgets within Worthing Borough Council	
	£
<p><b>Economic Regeneration</b> - this carry forward is to support training &amp; local organisations and the development of outside events. £4,000 is for the Velodrome Project Manager, £3,140 is for matched funding for the Rotary Carnival. The balance of £2,360 is for the events foundation educational programme, which supports local organisations. We have requested a carry forward from Adur and this is the equivalent budget. Therefore, both Worthing and Adur are contributing to the development of outside events.</p>	9,500
<b>TOTAL FOR WORTHING BOROUGH COUNCIL</b>	<b>67,190</b>

### 6.2 Recommended Carry Forwards of 2014/15 Approvals to Use Reserves

The following unspent items have been approved for 2014/15 and were planned to be funded from reserves. It is recommended that these approvals to utilise reserves are carried forward from 2014/15 to 2015/16. ***No transfer to reserves is required as the funds have been previously set aside.***

Proposed Carry Forwards (not yet spent and previously approved) - Existing Reserves	
	£
<p><b>Economic Regeneration</b> - The Concessions Working Group together with the relevant Executive Member, have been accumulating income from concessions in Worthing over the past couple of years for use on new visitor information along Worthing's promenade as well as other visitor/tourism improvements. The income has now accumulated to a level where the group can start to purchase new signs and information boards, with the first signs aimed for installation during early summer 2015. Further funds are to be allocated for improvements to existing seafront shelters to attract new concessions to the promenade, for example at Windsor Lawns and opposite West Buildings where a recent competition has attracted a repaint from a local artist.</p>	15,750
<p><b>Sustainability</b> - This carry forward is to pay for the Apprenticeship salaries, to provide energy project feasibility and trial costs. Much of the budget is already allocated for Apprenticeship salaries and energy project trials. The remaining balance is needed for future projects in development.</p>	10,770
<b>TOTAL FOR WORTHING BOROUGH COUNCIL</b>	<b>26,520</b>


## 6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

### 6.2 Recommended Carry Forwards of 2014/15 Approvals to Use Reserves

### 6.3 Movements and Use of Reserves


As part of the 2014/15 final accounts process, officers have identified amounts that are recommended for transfer to reserves for specific purposes or planned as part of the budget process, as detailed below.

For 2014/15, both authorities drew down on reserves to fund redundancy costs. For Adur the delay in the sale of the Civic Centre combined with the subsequent decision to continue to use the Civic Centre as the Civic Presence was one of the more substantial items funded from the reserves. A detailed breakdown of the reserve positions is included in **Appendix 2b** for Adur and **Appendix 3b** for Worthing.

<b>TRANSFERS TO GENERAL FUND EARMARKED RESERVES AND PROVISIONS 2014/15</b>			
<b>Committed contribution to reserves:</b>	<b>£</b>	<b>£</b>	
• Grants Carried Forward	20,000		
• Self-insurance charges and proposed contributions	30,000	50,000	
<b>TOTAL RECOMMENDED CONTRIBUTIONS TO RESERVES FOR ADUR DISTRICT COUNCIL</b>		<b>50,000</b>	

### 6.3 Movements and Use of Reserves


If all the proposals in the above table are adopted, Adur District Council's General Fund Working Balance will reduce to £459,752 which, at 4.8% of net expenditure of £9,629,140 is below the range of 6%-10% set by the Council. In addition the Council would retain earmarked revenue reserves of £1.288m (excluding revenue grants reserve), a decrease of £1.535m over 31<sup>st</sup> March, 2014. The full listing of earmarked reserves is attached as **Appendix 2b**.

<b>TRANSFERS TO EARMARKED RESERVES</b>			
<b>Budgeted / Committed contributions to reserves</b>	<b>£</b>	<b>£</b>	
• Grants Carried Forward	63,024		
• Self-insurance charges and proposed contributions	30,700	<b>93,724</b>	



## 6.0 CARRY FORWARD OF GENERAL FUND BUDGETS AND TRANSFERS TO RESERVES

### 6.3 Movements and Use of Reserves

<b>TRANSFERS TO EARMARKED RESERVES</b>			
	£	£	
<b>Contribution to reserves from 2014/15 underspend:</b>			
Carry Forward requests from the Joint Strategic Committee to Capacity Issues Reserve (see para. 6.1)	29,160		
Carry Forward requests to Capacity Issues Reserve (see para. 6.1)	67,190		
Contribution to Capacity Issues Reserve funded from underspend	24,930	121,280	
New contributions to reserves recommended for approval			215,004

If all the proposals in the above table are adopted, Worthing Borough Council will maintain its General Fund Working Balance at £843,625 which, at 6.0% of net expenditure of £13,976,780 is within the range of 6%-8% set by the Council. In addition the Council would retain earmarked revenue reserves of £1.806m (excluding revenue grants reserve), a reduction of £1.539m over 31<sup>st</sup> March, 2014. The full listing of earmarked reserves is attached as **Appendix 3b**.

## 7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2014/15 AND DEBT POSITION

### MRP Requirement for 2014/15

7.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 require the councils to make a prudent provision within the accounts for repayment of debt. This provision is called the Minimum Revenue Provision (MRP) and is charged to revenue expenditure.

7.2 The allowable options for making the MRP determination for 2014/15 were considered by the Joint Strategic Committee at its meeting of 6 February 2014. The recommended approaches for each authority considered at that time were duly approved at the respective full Council meetings as follows:

- For Adur District Council - at the meeting of 20 February 2014.
- For Worthing Borough Council - at the meeting of 18 February 2014.

## **7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2014/15 AND DEBT POSITION**

### **MRP Requirement for 2014/15**

- 7.3 For both Councils no changes were made to the methodologies for charging MRP in 2014/15 from that applied in the previous year. For Adur, the MRP policy includes voluntary revenue provisions to be set aside for the repayment of housing debt to create borrowing headroom for future HRA capital investment, given that central Government has imposed a debt ceiling under the HRA Self-financing regime. Worthing does not have an HRA.
- 7.4 The approved methodology applied to the accounts for Adur and Worthing Councils follows the arrangements set out in the Annual Treasury Management and Annual Investment Strategy Report for 2014/15. This report fulfilled the requirement under regulations from the Department of Communities and Local Government (DCLG) to formally approve before the start of the financial year an Annual Statement of Minimum Revenue Provision (MRP).
- 7.5 The Annual Statement determines the basis for calculating the MRP to be set aside in the accounts of the constituent Council (not the Joint Accounts) for repayment of debt. For all borrowing in respect of capital expenditure before 1<sup>st</sup> April, 2007 Option 2 of the guidance has been adopted, whereby MRP is calculated as 4% of the Capital Financing Requirement (CFR). For all borrowing after this date the approved methodology allows for Option 3, Asset Life Method, to be applied for all capital expenditure funded by borrowing.
- 7.6 Under the Asset Life methodology, MRP is calculated as the annual amount required to repay borrowing in equal instalments over the life of the assets acquired. This option also allows additional voluntary revenue contributions to be made, or capital receipts to be used, to repay debt earlier if the Council so wishes.
- 7.7 As MRP is applied in the year after which capital expenditure is funded from borrowing, the MRP for 2014/15 relates to borrowing incurred up to and including 31<sup>st</sup> March, 2014.
- 7.8 By applying the approved methodologies, described in paragraph 9.5, the following MRP determinations have been provided for in the 2014/15 accounts:
- For Adur District Council: £2,568,111 (£851,204 for General Fund, £1,716,907 for HRA)
  - For Worthing Borough Council : £1,077,811
- 7.9 In recognition of the introduction of the HRA Self-Financing regime, the Councils' joint treasury management policy also includes a requirement to account separately for General Fund and HRA debt in accordance with the "two pool approach" recommended by CIPFA within the Treasury Management Code of Practice. This approach apportioned historic debt at 31 March 2012 between HRA and General Fund in accordance with the Code guidance, and requires new borrowing from 1 April 2012 onwards to be attributed to either General Fund or HRA according to the purpose for which it is obtained.

## 7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2014/15 AND DEBT POSITION

### Debt Position at 31 March 2015

7.10 For Adur Council the separation of General Fund and HRA debt facilitates a comparison with the corresponding underlying need to borrow (the Capital Financing Requirement) i.e. capital expenditure not financed from internal resources. The purpose of the comparison is to enable General Fund and HRA treasury management decisions to be taken independently of each other, and in an equitable and transparent manner.

7.11 Accordingly, there follows a comparison of the respective debt outturn positions compared to the CFR for each Council, albeit that as Worthing does not have an HRA it therefore does not operate a two pool approach.

CFR v Long Term Debt Position at 31 March 2015	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
<b>Actual Long term Debt 01/04/14</b>	<b>13,215,445</b>	<b>64,993,382</b>	<b>78,208,827</b>	<b>2,922,209</b>
New Long term Debt Raised in year	0	0	0	3,000,000
Long Term Debt Repaid in Year	(222,285)	(2,000,256)	(2,222,541)	(2,834,440)
<b>Actual Long Term Debt 31/03/15</b>	<b>12,993,160</b>	<b>62,993,126</b>	<b>75,986,286</b>	<b>3,087,769</b>

CFR v Long Term Debt Position at 31 March 2015	Adur District Council			Worthing BC
	General Fund	HRA	Total	General Fund Total
	£	£	£	£
Capital Financing Requirement (CFR)	8,173,620	67,811,100	75,984,720	23,585,788
<b>(Over) / Under Borrowing</b>	<b>(4,819,540)</b>	<b>4,817,974</b>	<b>(1,566)</b>	<b>20,498,019</b>
HRA Debt Limit	N/A	68,912,000	68,912,000	N/A
HRA Borrowing Headroom (Debt Limit – Actual Debt)	N/A	5,918,874	5,918,874	N/A

## **7.0 MINIMUM REVENUE PROVISION (MRP) REQUIREMENT 2014/15 AND DEBT POSITION**

### **Debt Position at 31 March 2015**

- 7.12 In addition to the amounts reported in the Table above, Worthing also held temporary borrowing of £15m at 31 March 2015 which will mature fully by 30 September 2015. This will most likely be refinanced as new temporary borrowing as the existing loans mature pending the receipt of the sale proceeds for the Aquarena site. Adur did not hold any temporary borrowing at 31 March 2015.
- 7.13 For Adur Council the General Fund is over-borrowed by approximately £4.8m while the HRA is under-borrowed by £4.8m. This position largely reflects the opening position at 1 April 2012 arising from the application of the two pool split, where-in the CIPFA methodology assumed the HRA was fully borrowed at the level of its CFR, so that any under or over borrowing at that time was fully attributed to the General Fund.
- 7.14 The HRA under borrowed position is largely due to the HRA share of accumulated debt repaid since 1 April 2012. As the General Fund was over-borrowed at this date, and remains so at 31 March 2015, Capital expenditure has been funded from internal cash surpluses (i.e. internal borrowing, rather than through new external sources of Prudential Borrowing).
- 7.15 Conversely, Worthing is under-borrowed by £20.5m and reflects the cumulative impact over a number of years of consistently using internal borrowing and short term borrowing as a cheaper source of funding capital investment. This has been a prudent measure in the climate of historically low interest rates to reduce the “cost of carry” (i.e. the difference between the interest charged on new borrowing compared to the interest foregone on cash balances used to fund capital expenditure that would otherwise have been invested).

## **8.0 CONCLUSION**

- 8.1 The overall underspend for Worthing is most welcome at this time to help the Councils manage the challenging financial climate which they are currently grappling with.
- 8.2 Of more concern is the overspend within Adur District Council. This has been an extremely difficult year financially, the underperformance of the building maintenance service has been a significant contributor to the first overspend for many years. Last year the Councils introduced a new budget monitoring regime designed to focus on areas of key concern within Worthing which included Theatres, Grounds Maintenance and the new car parking service. For 2015/16 it is recommended that this be extended to the Adur Building Maintenance Service.

## 9.0 RECOMMENDATIONS

9.1 The Joint Strategic Committee is asked to:

- (a) note the report and outturn position for the Joint, Adur and Worthing Budgets proposed use of reserves; and

9.2 The Joint Strategic Committee is asked to recommend that Adur District Council, at its Council meeting on 23<sup>rd</sup> July, 2015 and Worthing Borough Council at its Council meeting on 22<sup>nd</sup> July 2015:-

- (a) NOTE the overall final outturn for 2014/15;
- (b) APPROVE the appropriation of the net under-spend in General Fund revenue expenditure in the year to reserves as detailed in paragraph 6.3 for Worthing Borough Council of £121,280
- (c) AGREE the net carry over of revenue budget to 2015/16 where the original approval for 2014/15 was not utilised which will be funded from the Capacity Issues Reserve as set out in paragraph 5.4 (HRA), 6.1 and 6.2 (General Fund) totalling:-

Adur District Council - HRA	£81,000
Adur District Council	£36,480
Worthing Borough Council	£122,870

- (e) APPROVE a contribution for Adur District Council from the 2014/15 HRA surplus to:
  - i) Adur Housing New Development and Acquisition Reserve of £566,000 being the original budgeted amount plus a further £51,000; Paragraph 5.4.
  - ii) Business Improvement Reserve of £250,000 to invest in new digital technologies, which will enable efficiencies in the service.
  - iii) HRA Discretionary Assistance Fund of £50,000 to supplement the resources available to provide financial support to tenants.
- (f) APPROVE the creation for Adur District Council of a new HRA Business Improvement Fund and establish the reserve by transferring £250,000 from the 2014/15 surplus paragraph 5.8

## **Local Government Act 1972**

### **Background Papers:**

Reports to the Joint Overview and Scrutiny and Joint Strategic Committee

Revenue Budget 2014/15 Joint, Adur and Worthing

3rd Monitoring Revenue and Capital Reports Joint Strategic Committee, Adur District Councils and Worthing Borough Council

Accounts and Audit Regulations 2011

### **Contact Officer:**

Jo-Anne Chang-Rogers - Finance Manager

Direct Dialling No: (01903) 221232

Email: [jo-anne.chang-rogers@adur-worthing.gov.uk](mailto:jo-anne.chang-rogers@adur-worthing.gov.uk)

## **SCHEDULE OF OTHER MATTERS**

### **1.0 COUNCIL PRIORITY**

This report deals with the whole of the Joint Committees revenue expenditure and as such contributes both Council's objectives

- To protect and enhance priority services.
- To promote a clean and green environment.

### **2.0 SPECIFIC ACTION PLANS**

2.1 The Medium Term Financial Plan

### **3.0 SUSTAINABILITY ISSUES**

3.1 Matter considered and no issues identified

### **4.0 EQUALITY ISSUES**

4.1 Matter considered and no issues identified

### **5.0 COMMUNITY SAFETY ISSUES (SECTION 17)**

5.1 Matter considered and no issues identified

### **6.0 HUMAN RIGHTS ISSUES**

6.1 Matter considered and no issues identified

### **7.0 REPUTATION**

7.1 Matter considered and no issues identified

### **8.0 CONSULTATIONS**

8.1 Matter considered and no issues identified

### **9.0 RISK ASSESSMENT**

9.1 Matter considered and no issues identified

### **10.0 HEALTH and SAFETY ISSUES**

10.1 Matter considered and no issues identified

### **11.0 PROCUREMENT STRATEGY**


11.1 Matter considered and no issues identified

### **12.0 PARTNERSHIP WORKING**

12.1 This report contains details of the outturn for the Adur and Worthing Partnership.

12.2 Contained within accounts of both Councils is the relevant share of the Adur and Worthing Partnership arrangements.

## 2014/15 FINAL REVENUE OUTTURN JOINT SUMMARY


	ORIGINAL ESTIMATE 2014/15	CURRENT ESTIMATE 2014/15	OUTTURN 2014/15	(UNDER)/ OVERSPEND 2014/15
	£	£	£	£
Chief Executive	886,600	873,400	856,343	(17,057)
Director for Communities	5,300,780	5,154,560	4,854,136	(300,424)
Director for Customer Services	5,766,410	5,984,940	5,773,020	(211,920)
Director for Digital & Resources	8,899,850	9,696,976	10,083,196	386,220
Director for the Economy Grants Reserves	3,157,030	3,376,035	3,555,854 (47,099)	179,820 (47,099)
<b>TOTAL SERVICES</b>	<b>24,010,670</b>	<b>25,085,910</b>	<b>25,075,449</b>	<b>(10,461)</b>
<b>ALLOCATION OF COSTS</b>				
Recharged to other joint services	(3,420,870)	(3,432,150)	(3,432,150)	-
	<b>20,589,800</b>	<b>21,653,760</b>	<b>21,643,299</b>	<b>(10,461)</b>
Adur District Council	(8,243,940)	(8,661,504)	(8,805,428)	(143,924)
Worthing Borough Council	(12,345,860)	(12,992,256)	(12,837,871)	154,385
<b>TOTAL SERVICE BLOCK ALLOCATIONS</b>	<b>(20,589,800)</b>	<b>(21,653,760)</b>	<b>(21,643,299)</b>	<b>10,461</b>



## CIVIC BUDGET 2014/2015


### Summary of Final Revenue Outturn

CABINET MEMBER PORTFOLIOS	ORIGINAL BUDGET 2014/15	CURRENT ESTIMATE 2014/15	OUTTURN 2014/15	Notional Capital Charges Variance	Support Service Recharge Variances	Under / Over Spend Excluding Support and Capital Charges
	£	£	£			
<i>CM for Environment</i>	3,150,480	3,199,900	3,111,676	32,812	33,621	(154,657)
<i>CM for Health &amp; Wellbeing</i>	1,011,480	1,110,441	972,053	2,350	(21,790)	(118,948)
<i>CM for Customer Services</i>	1,179,930	1,179,930	1,113,290	10,470	11,056	(88,166)
<i>Leader</i>	543,470	546,720	548,997	2,610	(11,216)	10,883
<i>CM for Regeneration</i>	1,804,090	1,848,190	1,844,842	400	75,112	(78,860)
<i>CM for Resources</i>	1,992,040	1,932,720	3,601,699	20,660	(511,519)	2,159,838
<i>Support Service Holding Accounts</i>	607,620	1,016,370	-	(32,223)	424,735	(1,408,882)
<i>Budget vired to HRA</i>		(6,870)				6,870
<b>Total Cabinet Members</b>	<b>10,289,110</b>	<b>10,827,401</b>	<b>11,192,558</b>	<b>37,079</b>	<b>-</b>	<b>328,078</b>
<i>Credit Back Depreciation</i>	(1,366,190)	(1,366,190)	(1,333,967)	(37,079)	-	69,302
<i>Minimum Revenue Provision</i>	963,680	963,680	851,204	-	-	(112,476)
<i>Additional Non Ring Fenced Grants</i>	-	-	(20,586)	-	-	(20,586)
<i>Financial Instrument Adjustment</i>	-	-	1,962	-	-	1,962
	<b>9,886,600</b>	<b>10,424,891</b>	<b>10,691,171</b>	<b>-</b>	<b>-</b>	<b>266,280</b>
<b>Transfer to/from reserves:</b>						
<i>Transfer from reserves to fund specific expenditure</i>	(257,460)	(795,751)	(663,013)	-	-	132,738
<b>Net Overspend Funded From Reserves</b>			<b>(399,018)</b>	<b>-</b>	<b>-</b>	<b>(399,018)</b>
<b>TOTAL BUDGET REQUIREMENT BEFORE EXTERNAL SUPPORT FROM GOVERNMENT</b>	<b>9,629,140</b>	<b>9,629,140</b>	<b>9,629,140</b>	<b>-</b>	<b>-</b>	<b>0</b>

 <b>Earmarked Revenue Reserve Accounts</b>	Opening Balance 2014/15	Estimated Decrease 2014/15	Estimated Increase 2014/15	Projected Closing Balance 2014/15
Capacity Issues Fund including General Fund Carry Forward Reserve Transfers in from unused Earmarked Reserves - to set up Worthing and Adur Trust (27/09/2011 JSC) - Contribution to Coastal West Sussex (24/01/2013 JSC/091/12-13) - Events Budget (27/09/11 JSC/038/11-12) - New Ways of Working Project (28/02/12 JSC/085/11-12) - Re the delay in sale of the Civic Centre (28/02/13 JSC/109/12-13) - Grant to Ropetackle Trust re appointment of professional manager (21 Dec 2012: LDR/013/12-13) agreed for 2 years - To fund secondment for work on EDRMS, 2 years 2013/14 and 2014/15 (28/02/2013 JSC/110/12-13) - Partnership and Business Support Manager post (7/11/13 JSC/058/13-14 40% share) - Contribution to Travellers' Transit Site (7/1/14 JSC/083/13-14) - Greater Brighton City Deal admin costs (6/2/14 JSC/090/13-14) - Public Service Network BPSS checks (6/5/14 JSC/129/13-14) - Coast Protection Scheme for Kingston Beach (6/5/14 JSC/132/13-14) - Pot of Gold (6/5/14 JSC/134/13-14) - Feasibility Study for Anaerobic Digester (24/6/14 JSC/008/14-15) - Strategic Human Resources Consultant (2/9/14 JSC/039/14-15) - Blueprint Consultancy for IT (7/10/14 JSC/051/14-15) - West Sussex Credit Union deposit (4/11/14 JSC/061/14-15) - Organisational Changes (2/12/14 JSC/075/14-15) - New Technology (2/12/14 JSC/076/14-15) Carry Forwards agreed JSC 11/06/2013: Adur share of Joint Adur Carry Forwards - Late Carry Forward for Community Safety (2/9/14 JSC/036/14-15) - Budgeted contribution to Reserves	1,765,928		122,062	
Insurance Fund	159,675	(3,798)	30,000	185,877
New Technology Fund	22,300			22,300
Local Plan (Adur) and PDG	140,476	(69,652)		70,824
Partnership Development Fund(consolidated into Cap Issues Res)	52,011	(52,011)		-
Health & Safety	32,545			32,545
Investment Propert Maint Fund -Revenue Maint Prog	68,387			68,387
Building Maintenance Fund - Revenue Maint Prog	150,810	(150,810)		-
Grants & Contributions held in reserves	258,249	(30,481)	20,000	247,768
Performance Reward Grant Fund (consolidated into Cap Iss Res)	26,398	(26,398)		-
Election Reserve	10,380	(2,500)		7,880
Special & Other Emergency Reserve	350,000			
Employment Tribunal (31/03/15 JSC/126/14-15)		(22,400)		
- Property Searches Litigation Settlement (24/6/14 JSC/006/14-15)		(40,000)		287,600
Vehicle Repair & Renewal Res(consol into Cap Issues Res)	29,203	(29,203)		-
Others (all under £10,000) (consol into Cap Issues Res)	14,451	(14,451)		-
General Fund Reserve	858,770	(399,018)		459,752
<b>TOTALS</b>	<b>3,939,583</b>	<b>(2,167,170)</b>	<b>223,122</b>	<b>1,995,535</b>

**CIVIC BUDGET 2014/2015**  
**Summary of Final Revenue Outturn**

<b>CABINET MEMBER PORTFOLIOS</b>	<b>ORIGINAL BUDGET 2014/15</b>	<b>CURRENT ESTIMATE 2014/15</b>	<b>OUTTURN 2014/15</b>	<b>Notional Capital Charges Variance</b>	<b>Support Service Recharge Variances</b>	<b>Under / Over Spend Excluding Support and Capital Charges</b>
	£	£	£			
<i>Leader</i>	1,008,200	1,009,400	1,017,715	690	(38,049)	45,675
<i>CM for the Environment</i>	3,503,140	3,727,350	3,977,536	17,133	(128,874)	361,926
<i>CM for Health &amp; Wellbeing</i>	1,325,400	1,334,583	1,157,052	(3,348)	28,195	(202,379)
<i>CM for Customer Services</i>	3,792,090	3,841,560	4,095,479	(4,340)	71,974	186,285
<i>CM for Regeneration</i>	2,494,550	2,563,300	2,476,353	30,775	(50,569)	(67,153)
<i>CM for Resources</i>	3,238,620	3,076,160	4,024,487	271,770	(343,336)	1,019,893
<i>Holding Accounts</i>	767,730	1,383,630	1	609,009	460,658	(2,453,296)
<b>Total Cabinet Member</b>	<b>16,129,730</b>	<b>16,935,983</b>	<b>16,748,624</b>	<b>921,690</b>	<b>0</b>	<b>(1,109,048)</b>
<i>Credit Back Depreciation</i>	(3,178,370)	(3,178,370)	(2,782,416)	(921,690)		1,317,643
<i>Minimum Revenue Provision</i>	1,207,040	1,207,040	1,077,811			(129,229)
<i>Additional Non Ring Fenced Grants</i>	0	0	(373,748)			(373,748)
	<b>14,158,400</b>	<b>14,964,653</b>	<b>14,670,271</b>	<b>0</b>		<b>(294,382)</b>
<b>Transfer to/from reserves:</b>						
<i>Transfer from reserves to fund specific expenditure</i>	(181,620)	(987,873)	(814,774)			173,099
<b>Net Underspend Transferred to Reserves</b>			121,283			121,283
<b>Total Budget requirement before External Support from Government</b>	<b>13,976,780</b>	<b>13,976,780</b>	<b>13,976,780</b>	<b>0</b>		<b>0</b>

 <b>Earmarked Revenue Reserve Accounts</b>	Opening Balance 2014/15	Decrease 2014/15	Increase 2014/15	Closing Balance 2014/15
	£	£	£	£
<b>Capacity Issue Reserve</b>	2,014,902			
Transfers in from unused Earmarked Reserves			308,859	
- BID Levy		(7,000)		
- Invest to save schemes (Theatres) (26/07/12 JSC/035/12-13) *C		(32,871)		
- to set up Worthing and Adur Trust for theatres etc (27/09/2011 JSC)		(3,000)		
- Splash Point net cost of investment		(83,440)		
- Contribution to Coastal West Sussex (24/01/2013 JSC/091/12-13)		(9,000)		
- Funding for secondment for work on EDRMS, 2 years 2013/14 and 2014/15 (28/02/2013 JSC/110/12-13)		(26,820)		
- Funding for Citizens' Advice Bureau for 2013/14 and 2014/15 (28/03/2013 JSC/125/12-13) conditions apply		(18,500)		
- Events Funding for Worthing (27/09/11 JSC/038/11-12)		(48,000)		
- Funding for EPOS system for Worthing Museum and Visitor Information Centre (01/10/2013 JSC/047/13-14)		(7,830)		
- Partnership and Business Support Manager post (7/11/13 JSC/058/13-14)		(37,720)		
- Preparation costs for WBC in-house car parks service (3/12/13 JSC/072/13-14)		(52,670)		
- Contribution to Travellers' Transit Site (7/1/14 JSC/083/13-14)		(72,608)		
- Greater Brighton City Deal admin costs (6/2/14 JSC/090/13-14)		(7,300)		
- Public Service Network BPSS checks (6/5/14 JSC/129/13-14)		(21,380)		
- The Money Tree (22/7/14 JSC/028/14-15)		(11,357)		
- Feasibility Study for Anaerobic Digester (24/6/14 JSC/008/14-15)		(7,770)		
- Funding for Leisure Services Trust bid (24/6/14 JSC/012/14-15)		(100,000)		
- Strategic Human Resources Consultant (2/9/14 JSC/039/14-15)		(21,000)		
- Blueprint Consultancy for IT (7/10/14 JSC/051/14-15)		(39,000)		
- West Sussex Credit Union deposit (4/11/14 JSC/061/14-15)		(25,000)		
- Organisational Changes (2/12/14 JSC/075/14-15)		(381,683)		
- New Technology (2/12/14 JSC/076/14-15)		(192,910)		
<b>Expenditure funded from approved carry forwards from 2013/14</b>				
Worthing Capital carry forward re Pavilion Electronic Signage - approved in Capital Outturn Report JSC 24 June 2014		(9,263)		
Worthing share of Joint carry forwards agreed JSC 24 June 2014		(68,734)		
Worthing carry forwards agreed JSC 24 June 2014		(58,794)		
- Late Carry Forward for Community Safety (2/9/14 JSC/036/14-15)		(15,100)		
- Budgeted contribution to revenue		(195,880)		
- Underspend to be placed in Capacity Issues Reserve			121,283	890,415
<b>Insurance Reserve</b>	435,758	(5,799)	30,700	460,659
<b>Joint Health Promotion Reserve</b>	21,855		0	21,855
<b>Leisure Lottery &amp; Other Partnerships</b> *C	77,767			77,767
<b>Museum reserve</b>	112,181	(14,162)	8,912	106,931
<b>Theatre Ticket Levy</b> (Expenditure approved with Budget JSC 7/1/2014)	27,065	(8,504)	16,444	35,004
<b>Planning Delivery Grant</b>	124,362	(25,699)		98,663
<b>Special &amp; Other Emergency Reserve</b>	149,427			
- Property Searches Litigation Settlement (24/06/14 JSC/006/14-15)		(74,000)		
- Employment Tribunal (31/03/15 JSC/126/14-15)		(33,600)		41,827
<b>Grants &amp; Contributions</b>	545,156	(131,274)	63,024	476,906
<b>VAT exemption liability- Palatine Pavilion</b>	211,860	(211,860)		0
<b>Vehicle Repairs &amp; Renewal</b>	97,000	(97,000)		0
<b>Capital Expenditure Reserve</b> *C	73,158			73,158
<b>General Fund Working Balance</b>	843,625			843,625
<b>TOTAL</b>	4,734,116	(2,156,528)	549,222	3,126,810

\* Capital

**ADUR HOUSING REVENUE ACCOUNT**

	<b>ORIGINAL ESTIMATE 2014/15</b>	<b>CURRENT ESTIMATE 2014/15</b>	<b>OUTTURN 2014/15</b>	<b>(UNDER)/ OVERSPEND</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>EXPENDITURE</b>				
General Management	2,467,850	2,417,830	2,543,288	125,458
Special Services	895,330	894,490	883,750	-10,740
Rent, Rates, Taxes & Other Charges	29,780	29,780	69,550	39,770
Repairs & Maintenance	2,413,580	2,413,580	2,536,913	123,333
Revenue Contribution to Capital	1,950,000	1,970,000	1,724,754	-245,246
Provision for refurbishment and new build	566,060	566,060	566,060	0
Charges for Capital / Interest Repayment/Debt Management Expenses	2,868,140	2,868,140	2,426,670	-441,470
Depreciation transfer to MRR Inc Non Op assets	2,186,710	2,186,710	2,197,817	11,107
Bad/Doubtful Debt	50,000	50,000	-112,514	-162,514
<b>TOTAL EXPENDITURE</b>	<b>13,427,450</b>	<b>13,396,590</b>	<b>12,836,288</b>	<b>(560,302)</b>
<b>INCOME</b>				
Dwelling Rents	(12,273,230)	(12,273,230)	-12,107,587	165,643
Non-Dwelling Rents	(538,240)	(538,240)	-520,647	17,593
Heating Charges	(70,720)	(70,720)	-72,546	-1,826
Leaseholder's Service Charges	(102,000)	(102,000)	-163,850	-61,850
Other Service Charges	(366,630)	(374,790)	-340,101	34,689
Contributions towards Expenditure	(15,710)	(15,690)	-15,297	393
Interest Received	(28,000)	(28,000)	-48,512	-20,512
<b>TOTAL INCOME</b>	<b>(13,394,530)</b>	<b>(13,402,670)</b>	<b>-13,268,540</b>	<b>134,130</b>
<b>NET (SURPLUS)/DEFICIENCY</b>	<b>32,920</b>	<b>(6,080)</b>	<b>-432,252</b>	<b>-426,172.00</b>
<b>HRA REVENUE BALANCES</b>				